United Nations S/2007/436

Security Council

Distr.: General
18 July 2007

Original: English

Letter dated 17 July 2007 from the Chairman of the Security Council Committee established pursuant to resolution 751 (1992) concerning Somalia addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 751 (1992) concerning Somalia, and in accordance with paragraph 3 (i) of Security Council resolution 1724 (2006), I have the honour to transmit herewith the report of the Monitoring Group on Somalia (see enclosure).

The Committee would appreciate it if the present letter, together with its enclosure, were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Dumisani Shadrack **Kumalo**
Chairman
Security Council Committee established pursuant to
resolution 751 (1992) concerning Somalia

07-38315 (E) 200707

Enclosure

Letter dated 27 June 2007 from the members of the Monitoring Group on Somalia addressed to the Chairman of the Security Council Committee established pursuant to resolution 751 (1992)

We have the honour to transmit herewith the report of the Monitoring Group on Somalia in accordance with paragraph 3 (i) of Security Council resolution 1724 (2006).

(*Signed*) Bruno **Schiemsky**
Chairman
Monitoring Group on Somalia

(*Signed*) Melvin E. **Holt**, Jr.

(*Signed*) Harjit S. **Kelley**

(*Signed*) Joel **Salek**

Summary

It is the task of the Monitoring Group to observe and report information regarding arms embargo violations and related matters in the military and security context. To that end, the Group has highlighted its findings for the current mandate period, noting the major factors and developments in the present summary and describing them more fully in the body of the report.

Since the last report of the Monitoring Group (S/2006/913), dated 22 November 2006, events in the area comprising central and southern Somalia, in particular, have been confused, fluid and difficult to monitor. The Islamic Courts Union has been removed from political and military supremacy by a coalition of Ethiopian and Transitional Federal Government military forces, leaving behind an insurgency that is being waged by the Shabaab (military forces of the Islamic Courts Union). Behind this major turn of events, key Somali actors, including clans, have been in the process of re-arming. Long-time warlords are doing the same, together with freelance militias, and acts of piracy have resumed in the coastal waters of Somalia. The African Union, as of the writing of the present report, is represented in Mogadishu by a vanguard contingent of Ugandan troops, authorized by the Security Council in its resolution 1744 (2007) of 20 February 2007.

The mandate witnessed periods of intense military confrontation between Ethiopian military forces and the Transitional Federal Government militias, on the one hand, and Shabaab forces, on the other, guerrilla style hit-and-run attacks, mortar attacks and the shooting down of an IL-76 cargo aircraft by the Shabaab using a surface-to-air missile. Coinciding with the foregoing, and as of the writing of the present report, have been incidents of car and suicide bombings, roadside bombings and assassinations.

Notwithstanding the difficulties in monitoring developments transpiring during the current mandate, one thing is clear: Somalia is literally awash with arms. It is the view of the Monitoring Group that the sheer quantities, numbers and diversity of arms, especially in central and southern Somalia, are greater than at any time since the early 1990s. In general, the sources of the arms are varied. They include arms that have been brought into Somalia by both the Ethiopian and Ugandan militaries — the Ugandans under a Security Council exemption for the African Union, the Ethiopians without an exemption.

The majority of arms, however, appear to have been brought into Somalia via clandestine routes and have found their way to a variety of key Somali actors. Moreover, when viewed from the perspective of information gained during the previous mandate that ended on 3 December 2006, the interim period between that mandate and the current mandate, huge quantities of arms have been provided to the Shabaab by and through Eritrea. Furthermore, although the Shabaab have lost a portion of their arms as a result of military engagements, it is reported that they have considerably more hidden in weapons caches for future use. It is also worth noting that the weapons in caches and otherwise in possession of the Shabaab include an unknown number of surface-to-air missiles, suicide belts, and explosives with timers and detonators.

Other quantities of arms have also been clandestinely brought into Somalia for the various other key Somali actors referred to above, one of the prime avenues

being the arms dealers from the Bakaraaha Arms Market. The Bakaraaha Arms Market has rebounded from a slow period during the previous mandate and is now doing a brisk and lucrative business in arms sales.

The Monitoring Group has made a number of specific recommendations in the current report. However, successful implementation of the recommendations depends on the establishment of viable government in Somalia. The Transitional Federal Government, in the current context, must clearly establish its authority and accompanying governmental institutions before the continuous and vexing problems associated with widespread insecurity can be brought under control. Contributing to the insecurity are a number of important factors, including continued arms flows and powerful independent armed groups outside the control of the Transitional Federal Government, overall lack of regulatory control of the economy, an economically powerful business community divided by its lack of support for the Transitional Federal Government and lack of control over Somalia's borders and coastal waters.

In an effort to seek responses from the multitude of actors involved in possible arms embargo violations, a total of 12 letters have been sent by the Monitoring Group to a combination of States, businesses and entities. It has received nine replies as at 27 June 2007.

Report of the Monitoring Group on Somalia pursuant to Security Council resolution 1724 (2006)

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I. Introduction

A. Mandate

1. In paragraph 3 of its resolution 1724 (2006) of 29 November 2006, the Security Council conferred the following mandate on the Monitoring Group on Somalia:

(a) To continue the tasks outlined in paragraphs 3 (a) to (c) of resolution 1587 (2005);

(b) To continue to investigate, in coordination with relevant international agencies, all activities, including in the financial, maritime and other sectors, which generate revenues used to commit arms embargo violations;

(c) To continue to investigate any means of transport, routes, seaports, airports and other facilities used in connection with arms embargo violations;

(d) To continue refining and updating information on the draft list of those individuals and entities who violate the measures implemented by Members States in accordance with resolution 733 (1992), inside and outside Somalia, and their active supporters, for possible future measures by the Council, and to present such information to the Committee as and when the Committee deems appropriate;

(e) To continue making recommendations based on its investigations, on the previous reports of the Panel of Experts (see S/2003/223 and S/2003/1035) appointed pursuant to resolutions 1425 (2002) of 22 July 2002 and 1474 (2003) of 8 April 2003, and on the previous reports of the Monitoring Group (see S/2004/604, S/2005/153, S/2005/625, S/2006/229 and S/2006/913) appointed pursuant to resolutions 1519 (2003) of 16 December 2003, 1558 (2004) of 17 August 2004, 1587 (2005) of 15 March 2005, 1630 (2005) of 14 October 2005 and 1676 (2006) of 10 May 2006;

(f) To work closely with the Committee on specific recommendations for additional measures to improve overall compliance with the arms embargo;

(g) To assist in identifying areas where the capacities of States in the region can be strengthened to facilitate the implementation of the arms embargo;

(h) To provide to the Council, through the Committee, a midterm briefing within 90 days from its establishment, and to submit progress reports to the Committee on a monthly basis;

(i) To submit for the Security Council's consideration, through the Committee, a final report covering all the tasks set out above, no later than 15 days prior to the termination of the Monitoring Group's mandate.

2. The Monitoring Group was based in Nairobi and comprised the following experts: Bruno Schiemsky (Belgium), arms expert and Chairman; Melvin E. Holt, Jr. (United States of America), arms expert; Harjit Kelley (Kenya), maritime expert; and Joel Salek (Colombia), finance expert.

3. The Monitoring Group travelled to South Africa and Uganda.

4. Pursuant to paragraph 3 (h) of resolution 1724 (2006), the Monitoring Group kept the Security Council Committee established pursuant to resolution 751 (1992)

concerning Somalia informed, throughout the period of its mandate, of its activities by submitting periodic (monthly) progress reports through the United Nations Secretariat and by providing a midterm briefing to the Committee on 27 April 2007.

B. Methodology

5. In general, the evidentiary standards and verification processes outlined in the first and second reports of the Monitoring Group apply to work conducted during the present mandate.

6. The standards of verification adopted by the Monitoring Group are as follows (see also annex II to document S/2004/604 for more details):

(a) Collection of information on events and topics from multiple sources, where possible;

(b) Collection of information from sources with first-hand or quasi-first-hand knowledge of events;

(c) Looking for consistency in patterns of information and comparing them with new information;

(d) Looking at the totality of the information obtained on issues, topics and events and developing a mosaic of the information. Determining how the new information compares with the substance, tone and feel of the information already collected;

(e) Continuously factoring in the expertise and judgement of the relevant expert of the Group and the collective assessment of the Group;

(f) Continuously seeking out documentary support for the information collected.

7. The Monitoring Group also relied on the concept of the source circle, that is, the deliberate and systematic effort to gain access to those involved in arms embargo violations by way of individuals who have direct knowledge or know people who have direct knowledge of details of violations.

8. The Monitoring Group interviewed government officials in the region and, where relevant, representatives from diplomatic missions, civil society organizations and aid agencies. It also contacted numerous key knowledgeable individuals from Somali civil society.

9. Information contained in the aforementioned previous reports of the Monitoring Group was also taken into consideration during the investigations. Section VI, Coordination with States and organizations, of the present report is also relevant to the methodology.

II. Arms embargo violations during the mandate period

10. There are at least four major areas where arms embargo violations and arms flows have, or may have, occurred from November 2006 through submission of the present report on 27 June 2007, as follows:

(a) *States*. Ethiopia introduced its own arms and troops into Somalia. Eritrea was the principal clandestine source and conduit for arms supplies to the Shabaab. The United States of America also took military action in Somalia;

(b) *Clans*. A number of prominent clans purchased and stockpiled arms;

(c) *Bakaraaha Arms Market*. During the current mandate, a variety of key Somali actors, including the Shabaab, various clans and Transitional Federal Government officials have conducted arms transactions at the Bakaraaha Arms Market;

(d) *Warlords*. The Somali warlords who have been purchasing arms from the Bakaraaha Arms Market, obtaining arms from elsewhere and reconstituting their militias, continue in the process of attempting to re-establish their former fiefdoms.

A. States, the Transitional Federal Government and the Shabaab

Eritrea

11. Based on information reflected both in past reports and in the current report, the Monitoring Group has observed a clear pattern of involvement by the Government of Eritrea in arms embargo violations. The Monitoring Group also concludes that the Government of Eritrea has made deliberate attempts to hide its activities and mislead the international community about its involvement.

12. When using aircraft to violate the arms embargo, the Government of Eritrea has variously applied different techniques, including: (a) creation of business front companies for the sole purpose of hiding government activity; (b) use of different existing, or legitimate, airline companies; (c) creation and fabrication of false documentation, that is, filing of false flight plans indicating flights to third countries that never took place and the unauthorized use of registration numbers and call signs.

The case of the IL-76 operated by Eriko Enterprise, Asmara

13. In its previous report (see S/2006/913), the Monitoring Group provided detailed information concerning an IL-76 cargo plane transporting arms and fighters from Eritrea to Mogadishu (paras. 43-53). When presented with the foregoing information by the Monitoring Group, the Government of Eritrea denied that the flights had taken place.

14. During the current mandate, the Monitoring Group obtained a copy of the contract of sale (annex I) of the IL-76 aircraft to a company in Eritrea. A person intimately familiar with the transaction confirmed the information contained in the previous report of the Group added that the company that had purchased the aircraft was a front for the Eritrean Government. The person also indicated that a down payment of US$ 200,000 had been paid by Eritrean diplomats based in a Gulf country to the seller of the aircraft.

The case of the Boeing 707 of Aerogem Aviation Ltd, operated by Fab Air

15. During the current mandate, the Monitoring Group received information that in November and December 2006 a Boeing 707 aircraft, using registration number 9G-OAL, call signs FBA2515 and FBA2516, and owned by Aerogem Aviation Ltd,

based in Ghana, departed from the airports of Asmara and Assab, Eritrea, destined for Somalia (see annex II). Furthermore, reported to be on board the aircraft, and intended for delivery to the Islamic Courts Union (ICU), were a variety of arms.

16. The Monitoring Group was also informed that the aircraft operator had filed, in some instances, false flight plans indicating the final destination of the aircraft to be Uganda or Mozambique, instead of Mogadishu. According to the information in possession of the Group, the aircraft made at least 13 rotations to Mogadishu in 25 days.

17. The Monitoring Group sent a letter to the Government of Eritrea on 14 March 2007 requesting its response concerning the aforementioned arms shipments. In reply to the letter, the Government denied that the flights had taken place and characterized the Group's information as "fabricated accusations". The Government of Eritrea added that:

> "The continuous and deliberate subtle disinformation campaigns against Eritrea cannot serve to cover up the illegal, dangerous and destabilizing military adventurism perpetrated against Somalia by the regime in Ethiopia and its handlers. It is sad that the mandate of the Monitoring Group on Somalia continues to be misused and abused by some countries who have created quagmire in Somalia" (see annex III).

18. However, subsequently, the International Civil Aviation Organization (ICAO) confirmed the flights. Moreover, the Monitoring Group sent letters to the Governments of Mozambique and Uganda, dated 15 March 2007, asking if the aircraft using the registration number 9G-OAL had landed in their respective countries as officially filed by the aircraft operator. In his reply, dated 24 April 2007, the Permanent Representative of Mozambique to the United Nations informed the Monitoring Group:

> "Following consultations with the relevant authorities of my country, I have been duly authorized to inform you that, after full investigation into the allegations, there is no record, either of the above mentioned aircraft, or of any other similar aircraft operated by Aerogem Aviation Ltd landing in the Mozambican territory in the period under review" (see annex IV).

In its reply dated 25 June 2007, the Government of Uganda states that it had not violated the arms embargo imposed by resolution 733 (1992) and that the aircraft under investigation only made a stopover at Gulu airport for refuelling en route to Juba, Sudan. The Government added that nothing had been off-loaded during the stopover and that the relevant documentation with regard to the flight should be obtained from the Government of Southern Sudan (see annex V).

19. The Monitoring Group also sent a letter to the airline company Aerogem Aviation Ltd, dated 14 March 2007, and to the Government of Ghana, dated 19 March 2007, where the airline company is based.

20. On 22 May 2007, the Chairman of the Monitoring Group placed a telephone call to Aerogem Aviation Ltd. During the ensuing conversation, the General Manager of Aerogem Aviation Ltd explained that during the period under investigation the aircraft in question had been leased to an airline company based in the United Arab Emirates. In a follow-up e-mail to the Chairman of the Monitoring Group, dated 22 May 2007, the General Manager agreed to provide the Group with

a copy of the lease agreement, flight logs, manifests, letter from the lessee and a letter from their operations office in the United Arab Emirates. On 24 May 2007, the Group received the aforementioned documentation from Aerogem Aviation Ltd.

21. The call sign "FBA" used by the aircraft is, according to the ICAO Airline Designator Guide, attributed to the airline company Fab Air, registered in Kyrgyzstan, but operating out of the United Arab Emirates. On 22 May 2007, the Monitoring Group sent letters to Fab Air and the Government of Kyrgyzstan requesting additional information. In its letter, dated 6 June 2007, the Government of Kyrgyzstan stated that Fab Air was closed in January 2007 because it had not complied with the regulations of the Civil Aviation Department of Kyrgyzstan (see annex VI).

22. In conclusion, owing to the lack of replies/information provided by Governments and businesses, the Monitoring Group, at this stage, is not able to finalize its investigations. Therefore, the Group is continuing its Aerogem Aviation Ltd investigation.

Ethiopia/Transitional Federal Government/Shabaab

Introduction

23. The beginning of the current mandate coincided with an ongoing conventional military attack by Ethiopia against ICU military forces in Somalia. The Ethiopian military operation, which started in about mid-December 2006, rapidly shoved aside ICU forces that confronted them in set-piece conventional-style battles, capturing quantities of arms as they moved from the western border area of Somalia into the coastal cities of Mogadishu and Kismaayo. The Ethiopian operation took place in cooperation with Transitional Federal Government militias; however, the Ethiopians were the primary fighting force.

24. The brief and rapid conventional success of the combined Ethiopian/Transitional Federal Government forces, however, resulted in a less than decisive defeat of the ICU military forces, particularly of the Shabaab, the more elite elements of the ICU forces, who are well armed and trained. The ongoing arming and training of ICU/Shabaab forces had been reported in detail in previous reports of the Monitoring Group, most notably in document S/2006/913. It should also be noted that during November and up to the Ethiopian attack in December 2006, the Shabaab continued to obtain arms and conduct training in order to strengthen their overall military capability.

25. Towards the end of January 2007, as the Ethiopians and the Transitional Federal Government settled into Mogadishu and other areas of central and southern Somalia, the Shabaab began to conduct guerrilla-style hit-and-run ambushes, particularly in Mogadishu and its environs. The intensity and frequency of these ambushes rose until it reached a peak that involved more fixed battles during late March through most of April 2007. That period was also marked by the occurrence of car and suicide bombings, primarily directed at the Ethiopian military. Also during that period, the Shabaab used a surface-to-air missile to shoot down an IL-76 cargo plane in Mogadishu.

26. As a result of the fighting in Mogadishu, Shabaab forces were forced to withdraw. But again, they were not decisively defeated, only scattered. They retained their command and control structure, with Shabaab leadership and

undetermined numbers of fighters going into hiding. The Monitoring Group has been informed that the Shabaab will continue their insurgency against the Transitional Federal Government and have changed their tactics to involve more suicide bombings, roadside and car bombings and directed assassinations against what they consider to be important targets.

27. During the period of the current mandate and as of the writing of the present report, Ethiopian and Transitional Federal Government forces have seized large quantities of arms both as a result of battles fought against the Shabaab and of the discovery of weapons caches that belonged to the Shabaab. The Monitoring Group has been informed that the Shabaab had buried large amounts of arms in weapons caches in an unspecified number of locations in central and southern Somalia and that the arms seized by the Ethiopian/Transitional Federal Government forces, as of the writing of the present report, represented only a small fraction of the total arms belonging to and hidden by the Shabaab. The Group is of the view that most of the arms in the caches were brought into Somalia around the time of the previous mandate, especially in November and December 2006.

Ethiopia

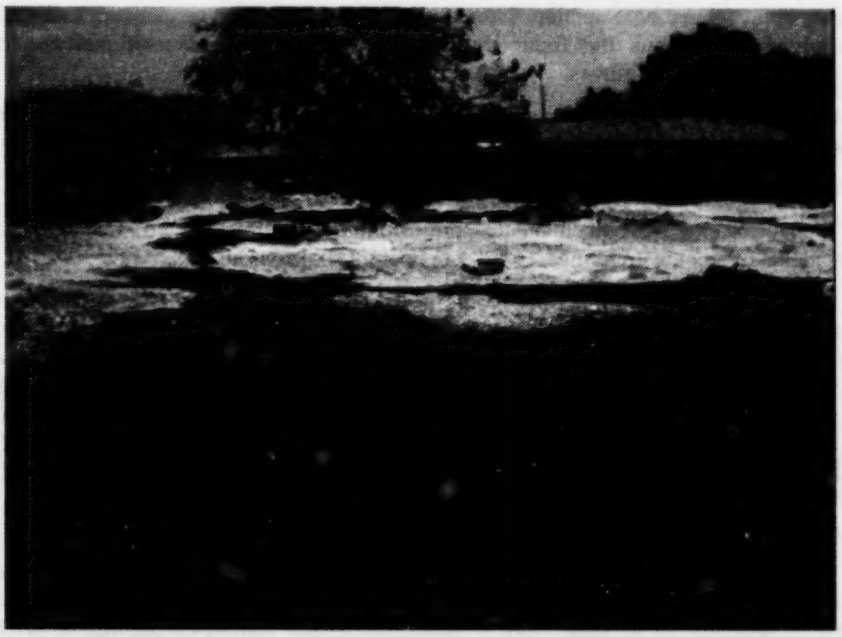
28. In reference to the military operations of Ethiopia in Somalia, the Monitoring Group sent a letter, dated 8 June 2007, to the Government of Ethiopia requesting additional information. The Group did not receive a reply from the Government by the time of submission of the report.

29. In its reply dated 15 June 2007 (annex VII), the Government of Ethiopia states that there is no connection between its military operations in Somalia, which were carried out at the invitation of the Transitional Federal Government, and the arms embargo imposed on the country under Security Council resolutions 733 (1992) and 1425 (2002). The Government added that since the "same extremist and terrorist groups declared Jihad on Ethiopia", the military action taken by the Transitional Federal Government and Ethiopia was a "legitimate exercise of the inherent right of self-defence consistent with the United Nations Charter". Finally, it stated that "the relevant subregional and continental organizations that follow developments in Somalia very closely have fully endorsed the defensive measures taken by the two Governments".

Use of white phosphorus bombs by Ethiopia in Mogadishu

30. As one indication of the intensity of the fighting that took place between Ethiopian military forces and the Shabaab, during one battle, on 13 April 2007, at approximately 2015 hours, at Shalan Sharaf, in the Shirkole area of Mogadishu, Ethiopian military forces resorted to using white phosphorus bombs against the Shabaab. As a result, approximately 15 Shabaab fighters and 35 civilians were killed.

31. Witnesses who were present in the general vicinity at the time the weapon was used described the impact of the weapon as it "lightened the whole of Mogadishu". They also saw a "fireball". Witnesses further described the after-effect of the weapon by describing the bodies of the victims as having been "melted" and stating that the soil and the surrounding area were white in colour. The Monitoring Group obtained pictures of the immediate area of impact of the white phosphorous bombs, one of which is shown below.



32. The Monitoring Group also obtained a soil sample from the impact area. The sample was sent to a specialized laboratory in Nairobi on 25 May 2007. The result of the chemical analysis shows that the phosphorus residual in the sample is 117 times higher than what could be expected of a non-contaminated soil sample. The results of the chemical analysis and the pictures of the area were presented to military experts. They concluded that the information provided was consistent with the use of white phosphorus bombs.

33. The Monitoring Group also received information that the use of this type of weapon was not an isolated incident. Rather, white phosphorus bombs were also used by the Ethiopian military around the National Sports Stadium in Mogadishu during the same time frame, when fighting became severe and intense.

34. With regard to the use of white phosphorous bombs, in its reply dated 15 June 2007 (annex VII), the Government of Ethiopia states that the Monitoring Group's information is baseless, that Ethiopian Defence Forces do not stockpile, use or produce white phosphorous bombs and that it does not exist in their arsenal.

The Shabaab

35. In its previous report (see S/2006/913), the Monitoring Group had noted, in particular, that the reported training and strength of ICU and its military force, known as the Shabaab, lay in the area of guerrilla tactics and irregular warfare, a long-familiar style of fighting very conducive to the Somali environment. In fact, Monitoring Group reports have dealt in some detail with ICU and Shabaab specialization in the areas of guerrilla warfare and terrorist techniques. The ICU/Shabaab forces were not decisively defeated during the conventional Ethiopian attack in December 2006/January 2007. They only suffered a conventional defeat. Many combatants of ICU were simply dispersed, or scattered, into various

geographic areas of Somalia. Those combatants split into organized cells and resolved to continue the fight against the Ethiopians and Transitional Federal Government military forces.

36. The Shabaab's continuing fight against the Ethiopians and Transitional Federal Government forces has been manifested in the following types of activities.

Suicide attacks

37. During the current mandate, the Monitoring Group noted a number of incidents of suicide bombings. Below are examples of four attacks.

(a) On 26 March, at 1300 hours, Adan Salad Adan "Adan Okiyo", driving a car packed with explosives, drove onto the Ethiopian military installation at Eel-Irfiid (about 5 km from Mogadishu) and detonated it in the middle of the base, resulting in 63 soldiers killed and approximately 50 wounded. He had previously loaded the car with old mattresses, used clothing and utensils, pretending to be part of a family fleeing from the fighting in Mogadishu. However, under the aforementioned items, he had secreted a large quantity of explosives. The Monitoring Group also received information that Adan Okiyo was wearing a suicide belt.

It is clear that the suicide attack was well prepared in advance: on the day of his suicide, he managed to obtain easy access to the base, because he had posed as a businessman for 18 previous days, selling clothing and watches at affordable prices to the Ethiopian-Transitional Federal Government forces located at the Maslah and Eel-Irfiid military bases. He had cultivated the soldiers by intentionally accommodating them with flexible terms of sales. As a result, in some of the soldiers took him to the main military base in Eel-Irfiid. He was readily welcomed at the base and went in and out without suspicion or security checks. Within a period of 10 days, Okiyo familiarized himself with the base and identified potential targets. He obtained key intelligence information concerning the locations of arms storage areas and other forms of military materiel. He also learned about the timing and locations of regular meetings and gatherings of soldiers.

After preparations for the suicide attack were finalized, Okiyo drove a 4x4 car to the base and convinced soldiers manning several checkpoints along the way that he was following his family that had earlier fled to Jowhar. He also told the soldiers that he wanted to obtain settlement for some of the outstanding debts that were owed to him by soldiers. He readily paid bribes to some soldiers at checkpoints to further ingratiate himself to them, easing his journey to the base.

He drove his car onto Eel-Irfiid and parked near a space where the Ethiopian soldiers and commanders had gathered to have their lunch. Adan Okiyo immediately detonated the explosives, resulting in a huge blast. It was subsequently confirmed that 63 Ethiopian soldiers were killed and approximately 50 were wounded. Military hardware, including transport trucks and equipment were also destroyed. Adan Okiyo was the Chief Commander of the Shabaab and fought in Afghanistan. During the midterm briefing, on 27 April 2007, the Monitoring Group showed the Committee a video of segments of the actual suicide attack;

(b) On 19 April 2007, the Shabaab packed a vehicle with explosives. It was driven to another Ethiopian military base, Aslubta, a former military base used by

the Siad Barre regime, and detonated. As a result of the attack, 30 soldiers were killed and approximately 200 were wounded;

(c) On 3 June 2007, the Prime Minister, Ali Mohamed Ghedi, was the target of another suicide attack. His residence compound in Mogadishu was attacked by a suicide bomber using a vehicle packed with explosives. In the attack, an unknown number of people were killed and wounded;

(d) On 4 June 2007, an Ethiopian military base, located at the former Somalia Political Science University in Mogadishu, was the target of yet another suicide bomber driving a vehicle packed with explosives. In the attack, an unknown number of people were killed and wounded.

38. These foregoing incidents confirm the information contained in the previous reports of the Monitoring Group (see S/2005/153, paras. 28 and 29 and 40-44, S/2006/229, para. 132 and S/2006/913, para. 207) with regard to the acquisition of explosives, timers and detonators and the reported training in their use by ICU/Shabaab. In addition, the Monitoring Group received credible information during the current mandate that the Shabaab is preparing more suicide attacks against Transitional Federal Government and the Ethiopian military forces in Somalia.

Use of SA-18 surface-to-air missiles

39. On 23 March 2007, at approximately 1700 hours, an IL-76 cargo plane belonging to Transaviaexport, a Belarusian company, was shot down after a missile fired by Shabaab fighters hit the left wing. The plane, with 11 crewmembers and passengers, was hit at low altitude following take-off. It had earlier delivered logistics and spare parts for another aircraft that had made an emergency landing at Mogadishu International Airport. The missile used to shoot down the plane was an SA-18 (MANPAD, Man Portable Air Defence System). The SA-18 was reported to be part of a consignment of six SA-18s that had been delivered by Eritrea to ICU/Shabaab. Two missiles were fired at the plane; one hit the target and the other missed. The Monitoring Group showed the Committee a video of the actual firing of the missile, during the midterm briefing on 27 April 2007. The following is a photograph of the actual shooter, taken immediately before the incident took place.

40. That incident confirms the information contained in the previous report of the Monitoring Group (see S/2006/913, paras. 38 and 45) with regard to the acquisition of surface-to-air missiles by ICU/Shabaab. The Group has also learned during the current mandate that additional missiles may be secreted in arms caches that are hidden at various locations and available for future use by the Shabaab.

Guerrilla-style attacks

41. From the beginning of the mandate through approximately mid-May 2007, when it peaked, the Shabaab waged a continuous campaign of hit-and-run attacks against Ethiopian, Transitional Federal Government and Ugandan military forces. They also made use of improvised explosive devices as a part of their strategy during their attacks. Several prominent individuals were targeted in those attacks, including the Prime Minister, and the Mayor and Deputy Mayor of Mogadishu.

42. Those incidents confirm the information contained in the previous reports of the Monitoring Group (see S/2005/153, paras. 22 and 31, S/2006/229, para. 132, and S/2006/913, paras. 204, 206, 207 and 209) with regard to the training in guerrilla warfare and the training in the use of explosives by ICU/Shabaab.

Assassinations

43. During the mandate, the Shabaab targeted high-level government officials of the Transitional Federal Government for assassination, including President Yusuf, Prime Minister Ghedi, the Mayor of Mogadishu, the Deputy Mayor of Mogadishu, military/security military personnel, intelligence officers, police and Ethiopian and Ugandan soldiers. Assassinations and attempted assassinations became virtually a daily occurrence during the latter part of May and the first week of June 2007.

44. The foregoing incidents confirm the information contained in the previous reports of the Monitoring Group (see S/2006/229, para. 132 and S/2006/913, para. 207) with regard to training in special techniques, such as the conduct of assassinations by ambush and sniping by ICU/Shabaab.

Weapons caches

45. During the latter part of the current mandate, the Shabaab retaliated against the Ethiopians, the Transitional Federal Government and others, relying to a great extent on weapons from arms caches that they had hidden at different times in the past in anticipation of future needs. Although Ethiopian and Transitional Federal Government forces seized large quantities of arms during the mandate, both as a result of battles fought against the Shabaab and owing to the discovery of weapons caches that belonged to the Shabaab, the Monitoring Group was informed that the Shabaab had hidden large quantities of arms in weapons caches in an unspecified number of locations in central and southern Somalia and that the arms seized by the Ethiopian/Transitional Federal Government forces, as of the writing of the present report, represented only a small fraction of the total arms belonging to the Shabaab.

46. The following is a photograph of an actual weapons cache discovered by the Transitional Federal Government military in Mogadishu during May 2007.

47. That information and photograph confirm the information contained in the previous report of the Monitoring Group (see S/2006/913, paras. 211-217) with regard to the massive quantities of arms and military equipment received by ICU/Shabaab and the large quantities of arms flowing into Somalia.

United States of America

48. On or about the nights of 7 and 23 January 2007, in south-eastern Somalia, the military forces of the United States of America, using an AC-130 gunship, conducted a total of two air strikes — one each night — that were directed at suspected Al-Qaida operatives on the ground.

49. The Monitoring Group received information that on 1 June 2007, the United States Navy attacked by firing several times at suspected Al-Qaida operatives located near the coastal village of Bargal, Puntland, Somalia.

50. The Monitoring Group sent a letter, dated 8 June 2007, to the Government of the United States of America, requesting information regarding these incidents. In its reply of 25 June 2007, the Government stated that it had "conducted several strikes in self-defence against Al-Qaida terrorist targets in Somalia in response to ongoing threats to the United States posed by Al-Qaida and its affiliates". Regarding the above-mentioned operations, the United States also states that paragraph 5 of resolution 733 (1992) requires general and complete embargo on all deliveries of weapons and military equipment to Somalia and that it did not believe "that these operations against known terrorist targets constituted 'delivery' of a weapon within the plain meaning of this paragraph" (see annex VIII).

B. Bakaraaha Arms Market

51. When ICU was in control of Mogadishu, it did not try to prevent the Bakaraaha Arms Market from selling weapons; rather, it tried to control its activities. The reason was that ICU was (and still is, as the Shabaab) somewhat dependent on the Market for the acquisition of arms (see annex IX for details on purchases by ICU/Shabaab). In the period during which ICU controlled Mogadishu, the prices of arms dropped dramatically (see annex V for details on the prices of weapons and ammunition before, during and after the control by ICU of Mogadishu). For example, the price of a ZU-23 (anti-aircraft gun) dropped from $70,000 (before ICU was in control of Mogadishu) to $10,000. In the same time frame, the price for a PKM (machine gun) dropped from $12,000 to $6,000. The prices for ammunition dropped accordingly.

52. In general, the prices of all weapons continued to drop until ICU left Mogadishu and the coalition of Transitional Federal Government and Ethiopian forces took control in December 2006 and January 2007. Since that time, the prices of most weapons have increased again, strongly. For example, the price of a ZU-23 was, in May 2007, $25,000 (from $10,000 previously). The DShK heavy machine gun now costs $8,000, up from $3,000 previously. The price of an RPG-2 increased in the same time frame from $200 to $1,500.

53. Warlords are now among the most important buyers of arms at the Bakaraaha Arms Market, and are, as at the time of the preparation of the present report, trying to regain control over their former fiefdoms. They had lost control of their fiefdoms after ICU took over central and southern Somalia during 2006. The Monitoring Group has received information that the warlords are currently trying to reconstitute and arm their respective militias, some of which may consist of as many as 500 fighters. (See annex IX for details concerning arms purchases by warlords.)

54. The arms experts of the Monitoring Group have gathered details concerning some deliveries of arms to the Bakaraaha Arms Market and subsequent purchases (see annex IX).[1]

III. Finances

55. A great deal of the new wave of political strife and military confrontation, specifically in Mogadishu and Kismaayo, is caused by an overall struggle over revenues. At issue is who will control land and revenue generators in the redistribution that followed the overthrow of ICU.

56. During the present mandate, although the sources of funds for purchasing arms remain the same as previously reported, the beneficiaries and the alliances procuring those funds have changed. There are three elements of that situation, which can be described as follows: (a) fracture of the financial support provided by the business community; (b) military opposition to the Transitional Federal Government depends more on outside funding; and (c) shift in the control of traditional revenue

[1] Owing to document processing deadlines, the transactions indicated in annex I are current only up to 20 May 2007. However, the Monitoring Group will continue to update information concerning Bakaraaha Arms Market transactions and present additional information, if available, to the Committee.

generators over which the Transitional Federal Government and warlords are now in charge.

A. Fracture of the financial support provided by the business community

57. While in the past the most financially powerful group of the business community was financing ICU in a rather consolidated block, at present, that alliance has been broken and divided into three groups: those that steered their financial support and surrendered the weapons to the Transitional Federal Government; those that continue to be reluctant or opposed to paying taxes; and individuals and their businesses ousted by the Transitional Federal Government.

Businesses financing the Transitional Federal Government

58. To be allowed to keep their operations running, some businesses of cargo transportation, construction, telecommunications and remittances are now financing the Transitional Federal Government. In some cases, those businesses are currently contracting with the Government and have also agreed to surrender their weapons.

59. On or about 3 May 2007, four major telecommunications and money remittance businesses based in Mogadishu, among others, surrendered their weapons to the Somali national police and Ethiopian and Ugandan military forces based in Mogadishu. That information confirms previous Monitoring Group reports indicating the involvement of the business community in financing arms purchases in violation of the embargo.

60. It is important to recall that the previous report of the Monitoring Group (see S/2006/913) outlined in great detail the strategic financial alliance of large businesses in Somalia with ICU. The alliance had mutual benefits: businessmen were able to operate in a more stable and secure environment, and to augment deals and income, while ICU had strong financial support and guidance on organizing and administering revenues.

Businesses reluctant to pay taxes

61. By contrast, there is another group of businessmen, mainly former supporters of ICU and the Hawiiye clan, who are currently unwilling to pay taxes to the Transitional Federal Government. The reasons for the dispute are the following:

(a) Disagreement about increased tax rates: businessmen, especially traders, refused to pay increased taxes set by the Transitional Federal Government. There were discussions between the Transitional Federal Government and warlords, on the one hand, and the Transitional Federal Government and businessmen, on the other, concerning taxes to be paid on traded commodities. For instance, when the Transitional Federal Government demanded a $3.60 tax for the import of 50 kg of cargo at the main Somali seaports, businessmen claimed they were paying only $1 for the same quantity. At the end of March 2007, those discussions, combined with an unprecedented escalation of violence, led to a complete trade stoppage for almost one month. The Transitional Federal Government then nominated a committee headed by the Minister of Commerce to further review the issue. At the moment, it appears that there has been an uneasy settlement among the parties. Businessmen

claim that the sum of such elements, that is, trade stoppage, increased tax rates and unstable security conditions are affecting their income and profits;

(b) Fear of businesses/property confiscation: there is apprehension that the Transitional Federal Government may seize businesses under martial law. The law, which was ratified by the Cabinet in February 2007, establishes permanent concepts, such as confiscation of property, among others. For that reason, some businesses have decided to close, at least for the time being;

(c) Continuous unsafe conditions for businesses to operate: during the last year, the removal of multiple checkpoints from streets in the cities and highways where warlords, freelance militia and gangs extorted money from the public, created safer conditions for businesses. At present, the Transitional Federal Government is having difficulty protecting businesses from those threats. In one case, the Monitoring Group has been informed that a prominent Somali business has allegedly contracted a foreign military adviser and is organizing its own militia with the purpose of fending off the threat;

(d) War economy and stagnation of businesses: Somalia is experiencing a war economy wherein all actors in the conflict, Transitional Federal Government and Ethiopian troops, on the one hand, and the military opposition, which includes ICU remnants, the Hawiiye clan and other militia, on the other, are mobilizing and allocating resources to keep the military upper hand in the conflict.

62. That situation has negative effects on trade, one of the major revenues and tax generators of the Somali economy. For instance, since November 2006, quantities of imported commodities arriving through the Mogadishu seaport have dropped progressively, from 46,000 metric tons in November 2006 to 24,000 metric tons in January 2007, with a continued downwards trend. Since then, many commodity prices have increased between 20 and 70 per cent, particularly in late March 2007.

63. Warlords who returned to Mogadishu also negatively affect normal trade, while regaining a steady flow of money for themselves. Inadequate seaport infrastructure, poor service, maintenance and high rates leave traders with no option but to move cargo through wrecked airstrips controlled by warlords. Ultimately, less trade means less money to pay taxes.

Businessmen ousted from Somalia

64. To further illustrate the fragmentation of the business community, there is the case of Abukar Omar Adani, who has been reported by the Monitoring Group as one of the main financiers of ICU. Before being ousted by the Transitional Federal Government, his businesses included operations at the Mogadishu, Kismaayo and El Ma'an seaports, among many other businesses in transport, shipping and construction, worth millions of dollars in annual proceeds.

65. With the arrival of the Transitional Federal Government to power in Mogadishu, his businesses and financial operations were shuttered, and he was detained for a period in Kenya on account of illegally entering the country. It has been reported that he had moved his businesses to a Gulf country.

B. Military opposition to the Transitional Federal Government depends more on outside funding

66. With most of the ICU leaders and some powerful financiers expelled from Somalia, military opposition to the Transitional Federal Government depends increasingly on funds provided from outside the country.

67. During the last week of March 2007, Omar Imam, an individual known to be one of the deputies of former ICU leader Hassan Dahir Aweys, was in Dubai, allegedly travelling on a Djiboutian passport, on a fund-raising campaign to finance the activities of ICU militant remnants in Mogadishu. According to the source, the main targets were the money remittance businesses (hawalas). Shabaab militia leader, Aden Hashi Farah "Eyrow", apparently also endorsed the plan.

68. The Monitoring Group is also investigating a case in which an individual was allegedly able to funnel several million dollars originating from a country in the Gulf to ICU. An unknown portion of that money was to be used to engage in military actions against the Transitional Federal Government. It also appears that the military opposition to the Transitional Federal Government, especially military remnants of ICU, was able to hoard a considerable amount of money while in control of a swathe of Somalia and its main revenue generators.

C. New shift in the control over traditional revenue generators: the Transitional Federal Government and warlords are now in charge

69. Revenues from seaports, airports, checkpoints and other sources have been available to the shifting ruling powers in Somalia during its many years of non-governance. During the last three years, the Monitoring Group has consistently reported on those revenues, indicating quantities, prices and, more notably, whom they have benefited. For brief consecutive periods, those funds have been used by warlords, the Islamic Courts and, currently, by the Transitional Federal Government and warlords to procure arms in violation of the embargo.

70. During the current mandate and with the support of Ethiopian troops, the Transitional Federal Government regained control over the largest revenue generators in the country. As previously indicated, they have doubled and even tripled taxes payable by traders and the public. More recently, warlords have made alliances with a view to reassuming control of their fiefdoms and regaining the ability to collect taxes.

71. Examples of such alliances are Mohamed Omar Habeeb "Dheere", former Governor of the Middle Shabelle region of Somalia, who was appointed in early May as Mayor of Mogadishu and Abdi Qeybdiid, who was named National Police Chief. In addition, Mohamed Qanyare, Muse Sudi Yalahow, Omar Mohamed Mohamud "Omar Finish" and Botan Isse Alin participated in Transitional Federal Government discussions with businessmen concerning taxes.

72. Businessmen and the larger population fear that those recent appointments confirm a return to the pre-ICU situation where warlords were in control of local administrations, benefiting from taxation and using part of those revenues to sustain military confrontation. That situation confirms the information contained in

paragraphs 221 and 223 of the previous report of the Monitoring Group (see S/2006/913):

> "The Monitoring Group has learned that, notwithstanding the defeat and subsequent dispersal of members of the opposition alliance, some members, including Mohamed Qanyare, Mohamed Dheere and Abdi Qeybdiid, are reorganizing and rearming themselves for the fundamental objective of attempting to retake the local administrations in and around Mogadishu that they lost to ICU. ... Attempts to take back their fiefdoms by force will only worsen an already tense and highly explosive situation in central and southern Somalia. ... It is the view of the Monitoring Group that the principal aim of the re-emerging Somali warlords is to regain control of their former vested interests, comprising individual fiefdoms with their attendant political and economic benefits. Their purpose is not to assist in the establishment of the Transitional Federal Government as a viable Government."

73. Another risk associated with the re-emergence of the warlords was foreseen in mid-February 2007 when reports indicated that they were a menace to humanitarian aid deliveries, because of their illegal demands for tax payments. At the end of May 2007, the United Nations Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator appealed to the Transitional Federal Government to allow humanitarian aid to reach the Somali people. In his briefing to the Security Council on 21 May 2007, he stated: "In late April, harassment and intimidation of humanitarian staff, closure of strategic airstrips and administrative directives by the Transitional Federal Government were greatly obstructing humanitarian efforts" (see S/PV.5677).

74. The Emergency Relief Coordinator also pointed out that "it is clearly important that humanitarian workers not be harassed at checkpoints or requested to pay so-called taxes. ... But insofar as the central Government has control over those who are manning checkpoints, it is important that it pass the message down to those concerned that that is not an acceptable practice ..." (see S/PV.5677).

Brief update on the situation concerning checkpoints and taxes

75. For some time, the Monitoring Group has been receiving reports indicating that certain Transitional Federal Government authorities referred to as "Somali police" had begun to collect taxes from businesses in the area of Karaan, northern Mogadishu. Furthermore, there have been reports of checkpoints being re-established by freelance militias in the capital city and elsewhere in Somalia. So far, more than a dozen of those checkpoints are in place in Mogadishu alone.

76. Other checkpoints have been established between the towns of Merca and Jilib, where trucks have to pay up to $60, and on the highway connecting the main cities of central Somalia from Mogadishu through to Afgooye, Wanlaweyne, Burkhabo, Baidoa and Wajid.

77. A similar situation exists in Kismaayo where, with the support of Ethiopian forces, the Transitional Federal Government has been able to regain control of revenues at the airport and seaport. There are indications that the Transitional Federal Government Ministry of Finance has appointed customs authorities in charge of its collection.

78. The Ministry of Finance has also started to establish the Central Bank, part of whose duties would be to manage revenues from taxes collected at public facilities (seaports, airports and others). In Kismaayo, for instance, since the beginning of March, Central Bank authorities appointed an official to begin operations. However, little success has been achieved owing to the resistance of businessmen to recognizing its mandate, since money collected so far has not been accounted for. More recently, since the withdrawal of Ethiopian troops from the area, the Transitional Federal Government does not have control over Kismaayo.

IV. Transport

79. The road network within Somalia and Kenya, one of its major trading partners, is in dire need of repair and upgrading owing to neglect during years of turmoil in the country. Traditionally, Somalia has thus relied on air and maritime transport for trade with its major partners and, taking advantage of cheaper maritime tariffs, mostly by local and international seagoing vessels and aircraft.

80. Official overland trade with neighbouring States has been virtually non-existent, but the Monitoring Group has learned of the smuggling of household goods from Somalia to Ethiopia. The khat trade, which still plays a significant role in the daily lives of the Somali population, is routed through neighbouring countries.

81. The long, remote coastline of Somalia has facilitated intensive maritime activity, including fishing and trading in the region. Being mostly unprotected, it has also attracted undesirable activities, such as unsustainable exploitation of marine resources, toxic waste dumping and other clandestine operations, such as piracy and arms trafficking.

82. Seagoing vessels from around the world regularly call at Somali ports carrying manufactured goods, food, oil and other consumable products. Much of the goods destined for Somalia are shipped from Indian Ocean ports, but Somali businessmen, despite the unrest in the country, have been known to trade in bulk on the international market for consumable items such as sugar, rice and oil, items which can be shipped from anywhere in the world. Onshore handling facilities at the major ports of Somalia are limited and unable to handle container traffic, although the Monitoring Group has learned of a few cases where containers were offloaded at Mogadishu using the ship's gear, mostly "break bulk" or palleted cargo passing through the port.

83. The Monitoring Group has established from the exporting countries that the cargo carried by established shipping lines is properly documented in accordance with international regulations at the port of origin but that those documents have no meaning or value on arrival in Somalia given that traders do not need them for verification, valuation or insurance purposes, as would be the case in normal circumstances.

84. Under such circumstances, dhows are vulnerable to exploitation by unscrupulous individuals for clandestine operations to transport arms, ammunition and weapons to Somalia.

Maritime resources

85. Fishing fleets of the world continue to exploit the rich fishing resources of the waters off Somalia in what has been termed the "IUU" manner — illegal, unreported and unregulated. The disastrous effect on the sustainable management of maritime resources has been documented in various reports by scientific organizations.

86. Foreign fishing vessels operate in the Somali exclusive economic zone under the protection of a "licence" issued by one or another faction in control of the area. The fishing grounds are analogous to a naval engagement, with fishing vessels openly displaying mounted guns on the fo'c's'le and gun-toting marines on the deck to ward off rivals for the best spot for casting the nets (see also S/2005/625, para. 98).

87. On being interviewed, the crew and owners of fishing vessels have admitted that they have to pay licensing fees to factions that appear to have control over a particular fishing ground. From the information gathered, it is apparent that fees paid can amount to over $1 million per fishing season.

88. Some factions have resorted to enlisting the help of armed vessels to protect their licensees, as is the case of Puntland authorities who have put armed soldiers on MV (merchant vessel) *Al-Akbari* and MV *Al-Halimi*, two dhows registered in Pakistan. Those vessels regularly patrol the fishing grounds, are victimized as the "Puntland Coast Guard" and were involved in the unsuccessful attempt to free the World Food Programme chartered vessel, MV *Rozen*, from pirates in February 2007.

Piracy

89. Since the ousting of ICU, there has been a drastic increase in the frequency of piracy in waters off Somalia. Six cases of attempted piracy have been reported since January 2007 and there is reason to believe that there must have been more cases, since many ships fail to report such attacks for fear of victimization by clients or surcharges imposed by the insurance industry. Shipping companies also fear the protracted investigations that often follow such incidents.

90. It can be confirmed that piracy off Somalia, unlike in other parts of the world, is caused by a lack of lawful administration of the mainland, which allows the "pirate command centres" to operate without hindrance at many coastal landing points. In all cases, vessels captured on the high seas are quickly taken to the territorial waters of Somalia and anchored off the landing point where the pirates have established a "command centre". The act of piracy against MV *Rozen* proves this point:

Hijacking of MV *Rozen*

MV *Rozen*, a cargo ship owned by Motaku Shipping Agencies of Mombasa, Kenya, was chartered by the World Food Programme to deliver much-needed relief supplies to the north of Somalia. On its return journey from Bosasso, Somalia, on 25 February 2007, it was hijacked by pirates off Ras Sheroaqhef. The crew of the vessel comprised Kenyans and Sri Lankans.

The vessel was captured in international waters and taken to an anchorage off Dhigdhigley, north of Gara'ad, along the coast of the state of Puntland. At this stage, the "pirate command post" stationed ashore contacted the owners in Mombasa and asked for a ransom of $1 million.

The relevant departments of the Transitional Federal Government and the Puntland authorities were informed of the vessel's peril and the existence of the "command post" ashore. No attempt was made by the authorities to arrest or bring to justice the individuals who were responsible for the acts of piracy, but information was received that some clan elders had been dispatched to the "command post" to negotiate the release of the vessel.

From the foregoing, it would appear that the individuals responsible for the piracy act are beyond the jurisdiction of the Transitional Federal Government or the Puntland authorities and are able to carry out their illegal activities without hindrance or interference. Efforts to establish their identities were thwarted owing to poor communication with the Transitional Federal Government.

The MV *Rozen* and the crew were eventually released upon payment of a ransom, details of which are not being released for fear of reprisal against the owners of the vessel.

91. Several of the various regional and clan authorities have relatively little control over what they define as their territorial waters, with the exception to the breakaway region of Somaliland. The strength of its military and police forces, its close cooperation with foreign powers and popular consensus among its population all contribute to its stability and its ability to repress piracy. There have been no known cases of piracy in that region. The same cannot be said for Puntland, the other region vying for self-rule. In fact, a majority of hijacked ships have sought safe haven off the coast of Puntland.

V. Capacity-building

92. The regional and international communities may wish to consider providing specific assistance to the Transitional Federal Government which, among other benefits, would make available necessary technical assistance to implement the recommendations proposed by the Monitoring Group in section VII.B of the present report.

VI. Coordination with States and organizations

A. States

Right of reply

93. The Monitoring Group sent 12 letters to individual States and businesses identified in connection with arms embargo violations, as noted in section II above.

Replies received by the Monitoring Group by the time of completion of the present report have been cited in the information on reported arms embargo violations in section II and are reproduced in the annexes.

United Nations — Committee consultations: right of reply meetings held with States

94. While at United Nations Headquarters, New York, at the end of April/beginning of May 2007, the Monitoring Group attended two Committee consultations where representatives of seven States were afforded the opportunity to respond to information contained in the report of the Group (see S/2006/913), as follows: on Tuesday, 1 May, Saudi Arabia and the Islamic Republic of Iran, on Friday, 4 May, Djibouti, Egypt, Eritrea, the Libyan Arab Jamahiriya and the Syrian Arab Republic.

95. In summary, the aforementioned States denied their involvement in Somalia, as described by the Monitoring Group in its aforementioned report. The Group appreciated hearing the views of the respective States, but stands by its findings. It should be further noted that in the majority of cases, States that were sent letters by the Group either failed to respond or sent incomplete replies.

Somalia, Eritrea, Ethiopia and the African Union

96. On 16 May 2007, the Monitoring Group sent letters to the Governments of Ethiopia, Eritrea and Somalia proposing to meet government representatives in their respective capitals to discuss issues related to the implementation of the arms embargo and other related matters.

97. In a letter to the Monitoring Group dated 18 May 2007, the Government of Somalia welcomed a prospective visit to Mogadishu of the Group to discuss a range of issues related to the arms embargo.

98. In addition, on 4 June 2007, the Chairman of the Monitoring Group held a telephone conversation with the Deputy Permanent Representative of Ethiopia to the United Nations during which the Deputy Permanent Representative suggested two courses of action for the Group, as follows: visit the Transitional Federal Government in Mogadishu versus visiting Addis Ababa; take into account the National Reconciliation Conference, scheduled to begin in Mogadishu on 14 June, when making plans to travel to Mogadishu. Moreover, the Deputy Permanent Representative stated that he would get back in touch with the Group regarding a possible visit by the Group to Addis Ababa from 10 to 23 June.

99. The Monitoring Group sent a letter, dated 30 May 2007, to the Chairperson of the African Union Commission, Alpha Oumar Konaré, requesting a meeting to discuss the arms embargo and the deployment of the African Union Mission in Somalia (AMISOM) among other issues.

Belarus

100. In a letter, dated 2 April 2007, the Permanent Representative of Belarus to the United Nations requested the Chairman of the Committee to consider the possibility of asking the Monitoring Group to assist in its investigation of the incidents involving the attempted shoot-down and the shoot-down of Belarusian aircraft.

101. On 2 May 2007, the Chairman of the Committee informed the Permanent Representative of Belarus that the Committee had requested the Monitoring Group to provide the Belarus authorities with available information regarding those two incidents. Subsequently, on 3 May 2007, the members of the Group met with representatives of the Belarus mission in order to discuss further in detail the information requested by the Belarus authorities.

102. Following their return to their field office in Nairobi, the Monitoring Group began gathering information concerning the aforementioned events and will compile a report summarizing its findings. The Group will inform the Committee of its findings.

Ghana, Kyrgyzstan and Mozambique

103. The Monitoring Group would like to thank the Government of Ghana for its cooperation, and the Governments of Kyrgyzstan and Mozambique for their assistance, through their letters, dated 24 April 2007 and 6 June 2007, respectively. The Group looks forward to continued cooperation with those Governments.

B. Organizations

United Nations

United Nations Political Office for Somalia

104. Members of the Monitoring Group met with the Special Representative of the Secretary-General for Somalia, François Lonseny Fall, and the Deputy Special Representative, to exchange views and information on the security situation prevailing in Somalia.

United Nations technical assessment mission

105. On 19 March 2007, the experts of the Monitoring Group briefed the members of the United Nations technical assessment mission to Somalia, which has subsequently compiled a report whose key findings are included in the report of the Secretary-General on the situation in Somalia (S/2007/204). The Group provided the members of the mission with information concerning the widespread violence and resurgence of the Shabaab in Mogadishu and the threat it poses to the effective establishment of the Transitional Federal Government.

Panel of Experts on the Sudan

106. On 15 February 2007, members of the Monitoring Group met in Nairobi with an expert of the Panel of Experts on the Sudan concerning Security Council resolution 1591 (2005). Arms embargo violations taking place in the greater region and ways of possible cooperation between the Group and the Panel were discussed.

African Union — AMISOM

Uganda (AMISOM)

107. On 21 and 22 March 2007, owing to the deployment of Ugandan troops to Somalia, as a part of AMISOM, the Chairman and the arms expert of the Monitoring

Group exchanged views with Ugandan government officials in Kampala on the prevailing military and security situation in Somalia.

Diplomatic community

108. Based on their respective requests, including for the purpose of exchanging views on Somalia's military and security situation, the Monitoring Group held various meetings in Nairobi with a number of representatives of the diplomatic community.

VII. Conclusions and recommendations

A. Conclusions

Arms

109. It is the view of the Monitoring Group that the sheer numbers of arms currently in Somalia (central and southern Somalia, in particular) exceed those in the country since the early 1990s. There are at least three major groupings of arms: those in the possession of the Ethiopian forces, the Transitional Federal Government and the African Union-Ugandan military contingent in Mogadishu; those in the possession of the Shabaab, including their weapons caches; and those in the possession of the warlords and clans.

110. Far from being stemmed by the presence and activities of the Ethiopians, the Transitional Federal Government and African Union military forces, arms continued to flow heavily into Somalia from November 2006 to mid-June 2007, prior to the preparation and submission to the Secretariat of the current report. Arms have been either openly brought into Somalia, as in the case of the Ethiopian and African Union forces, or brought in through clandestine channels, as in the cases of the Eritrean conduit and the Bakaraaha Arms Market, for example, and variously distributed to the Shabaab, clans, warlords and others. While acknowledging the African Union exemption, it is the view of the Monitoring Group that the majority of the arms presently in Somalia were delivered or introduced into the Somali environment in violation of the arms embargo.

111. Moreover, importantly, no single actor or authority is in control of the majority of the arms in Somalia. That is noted in spite of Transitional Federal Government attempts to establish its authority and control over other key Somali actors.

112. In brief, Somalia is awash with arms. The current Somali environment contains more than at any time since the early 1990s. They were variously delivered and introduced into the Somali environment by different actors and continue to be held by a variety of important and potentially militarily powerful actors, and there is no clearly established authority that has the capability of exercising control over a majority of the arms. Furthermore, as of the submission of the present report, the foregoing is taking place in a context of persistent insecurity, a low-grade and deadly insurgency being waged by an undefeated militant group, the Shabaab, and increasingly disaffected clans and warlords, all of whom are trying to push back the clock and re-establish or continue their respective activities independent of the existence of the Transitional Federal Government and the presence of the Ethiopian and African Union military forces.

Finance

113. Owing to the division in the business community caused by the defeat of ICU, the military opposition to the Transitional Federal Government has experienced a decrease in funds from inside Somalia and depends more on finances from individuals in foreign countries.

114. Control over traditional revenue generators has shifted again to the Transitional Federal Government and the warlords, who benefit from those revenues. However, since the country is experiencing a war economy whereby financial efforts are concentrated in the military, very little space is left for businesses to flourish and pay taxes.

115. A combination of high tax rates, unsafe conditions, lack of confidence, fewer trade flows, fewer business transactions, high prices, inflation surge and decreased incomes have created a "fiscal reduction", resulting in less money to pay taxes.

Transport

116. The much heralded victory of the Transitional Federal Government forces, supported by the Ethiopians, over ICU has not yielded the stability that was anticipated. Instead, there is frustration and disappointment. General living conditions in Somalia have deteriorated and retaliation against the Government has increased greatly.

117. Whatever little confidence there was in the ability of the Transitional Federal Government to rule is fast eroding and antagonism against Ethiopia is at a crescendo — clearly not being helped by the Ethiopian Army's heavy-handed response to insurgent attacks, involving the use of disproportionate force to dislodge insurgents from their suspected hideouts.

118. The attacks on aircraft, acts of piracy and attempted hijackings of maritime vessels have a dampening effect on the confidence of trading companies to do business with Somalia, resulting in the scarcity of essential food items and medical supplies. That has also affected the delivery of much-needed humanitarian aid as ship owners are increasingly unwilling to venture into Somali waters.

119. There is no doubt that the increase in piracy attacks is caused by the climate of lawlessness that currently prevails on the mainland of Somalia, providing sanctuary and allowing the "lords of piracy" to carry out their operations unhindered.

B. Recommendations

Arms

120. The Transitional Federal Government, with regional and international assistance as noted in the present report, is in the process of attempting to gain control over Somalia and establish itself as a viable Government. The Monitoring Group recommends that the Transitional Federal Government consider taking the following actions with respect to gaining control over the rampant arms problem:

(a) Institute a formal programme, or continue with existing efforts to collect and destroy or register all weapons in areas under its control;

(b) Eliminate the Bakaraaha Arms Market;

(c) Establish a professional police force that, through community policing efforts and other organized information-gathering activities, makes it a priority to locate and appropriately deal with hidden arms caches.

Finance

121. The Transitional Federal Government should undertake combined efforts to allow economic growth and minimize threats, to include: improving overall security conditions; removing illegal tax collections at checkpoints and elsewhere; and promoting a climate of confidence within the business community. Adequate market policies, inflation reduction, fiscal consolidation and a regulated financial system are also priorities.

122. With regard to financial threats, it is essential to strengthen controls on inbound money flows physically or electronically entering the country, therefore curbing funds that may finance conflict escalation.

Transport

123. To curb the flow of unchecked imports into the country, consideration should be given to seeking the services of a reputable international inspection and verification company to monitor all imports into Somalia. The company would work in cooperation with the Somali Customs Authority and would be deployed at all harbours and airports. That system would also bring accountability to the revenues collected at all ports.

124. The Transitional Federal Government authorities should be encouraged to embrace the International Ship and Port Facility Security Code, developed by the International Maritime Organization, to enhance maritime security in ports, which would help in curbing the illegal arms trade.

125. Any peacekeeping mission to Somalia should include an element of maritime forces to enable it to effectively control and provide security for the long, remote Somali coastline.

126. To bring the dhow trade into some semblance of order, regional States should be encouraged to develop regulations for cargo ships and passenger-carrying vessels not covered by the provisions of international maritime conventions. That would serve to regulate trade by traditional vessels, including dhows, plying the waters off Somalia. It would be done under the auspices of the International Maritime Organization, which has already assisted other regions in developing model legislation along similar lines.

Annex I

Contract of sale of an IL-76 aircraft to Eriko Enterprise (Eritrea)

КОНТРАКТ
Купли- продажи самолета
21 Июля 2006

"Aerolift company Limited", в лице Евгения Захарова , именуемый в дальнейшем Продавец, и компания **«ERIKO ENTERPRISE »**, в лице г-на Kelati Haile , именуемый в дальнейшем Покупатель, заключили настоящий Контракт о нижеследующем:

1. ПРЕДМЕТ КОНТРАКТА

1.1.Продавец продал, а Покупатель купил, а самолет UN 76496, заводской номер 073410301.

2. ЦЕНА И ОБЩАЯ СУММА КОНТРАКТА

2.1. Условия оплаты прилагаются в дополнении контракта

3. УСЛОВИЯ ПЛАТЕЖА

3.1.Платеж за самолет, поставляемый по настоящий Контракт, будет производиться в долларах США в соответствии с условиями и графиком осуществления платежей.

3.2.Все обязательные платежи, пошлины и сборы, связанны с настоящим Контрактом, подлежащие уплате в стране Продавца относятся на счет Продавца, подлежащие уплате в стране Покупателя относится на счет Покупателя ..

4. ПЕРЕХОД ПРАВА СОБСТВЕННОСТИ

4.1.В течение четырех (4) дней с момента подписания данного Контракта Стороны оформляют Акт приема – передачи самолета.

4.3.Продавец обязан предоставить Покупателю следующую докоментацию:
Экспортный сертификат Годности.
Действующий сертификат Годности.
Сертификат о снятии с реестра.

CONTRACT
Of Sale and Purchase of the Aircraft
21 July 2006

"Aerolift company Limited", hereinafter referred to as the "Seller" represented by Evgueny Zakharov and **« ERIKO ENTERPRISE »**, hereinafter referred to as the "Buyer", represented by Mr. Kelati Haile , has agreed in the present Contract on the following:

1. SUBJECT OF THE CONTRACT

1.1.The Seller has solds and the Buyer has bought the aircraft UN 76496, factory number 073410301.

2. PRICE AND TOTAL AMOUNT OF THE CONTRACT

2.1. Payment conditions will be enclosed with contract forms

3. TERMS OF PAYMENT

3.1 Payment for the Aircraft, delivered under the Present Contract shall be effected in US dollars in conformity with the Conditions and Schedule of Payments

3.2 All obligatory payments, duties and charges connected with this Contract and which are due in the Buyer's country are settled by the Buyer, and all those above which are due in the Seller's country are to be paid by the Seller.

4.TRANSFER OF THE RIGHT OF OWNERSHIP

4.1. Within four (4) days from the signing of this Contract the Parties shall make out an Acceptance Report

4.3 The Seller obliged to issue the following documents:
Certificate of Airworthiness for Export
Valid Certificate of Airworthiness
De –registration Certificate

Протокол взвешивания
Сертификат по шумам
Лицензию на радиостанцию
Сертификат на ТКАС
Протокол списания девиации
RVSM

Weighing Certificate
Noise License
Radio License
TCAS Certificate
Recent Compass Swing Record
RVSM

5. ОБЯЗАННОСТИ СТОРОН

5.1.Продавец обязан:
5.1.1.Подготовить и представить самолет, поставляемый по настоящему Контракту, для приемки Покупателем в указанный в Контракте срок.
5.1.2. Допустить пребывание необходимых специалистов Покупателя в пункте комплектации и отправки самолета.
5.1.3.Передать Покупателю продаваемый по настоящему Контракту самолет, свободным от любых обязательств в пользу третьих лиц, как в момент передачи, так и в будущем.

5.2. Покупатель обязан:
5.2.1. За свой счет направить комиссию для приемки самолета по качеству в аэропорт Массава (Эритрия) .
5.2.2.Принять самолет в месте и в срок, указанный в настоящем Контракте.
5.2.3.Оплатить стоимость самолета в порядке и в сроки, предусмотренные настоящим Контрактом.
5.2.4. Начать эксплуатацию самолета только после смены регистрации и под своим Свидетельством Эксплуатанта .
5.2.5. Снять старые регистрационные знаки и Лого с ВС, по прибытию его на базовый аэропорт Покупателя.

5.RESPONSIBILITIES OF THE PARTIES

5.1. The Seller is obliged:
5.1.1. To prepare and furnish the Aircraft, delivered under the present Contract, for the Buyer's acceptance in the term, stipulated in the Contract.
5.1.2. To allow staying of the Buyer's required specialists at the place of furnishing and dispatch of the Aircraft.
5.1.3. To submit to the Buyer the Aircraft under this Contract completely without any obligations before the third Parties at the moment of such hand over and in future.

5.2. The Buyer is obliged:
5.2.1. To send at his own cost a commission to accept the aircraft (quality acceptance) to Massawa airport (Eretria) .
5.2.2. To accept the aircraft in the place and time stated in this Contract.
5.2.3. To pay the cost of the aircraft in the order and terms stipulated by this Contract.
5.2.4. To start the operation of aircraft after change registering mark and under Buyers AOC.

5.2.5. Remove the old logo and registration mark, when aircraft will reach the base airport of Buyer.

6.СРОКИ ПОСТАВКИ

6.1.Продавец гарантирует передать самолет Покупателю не позднее 4 дней со дня подписания контракта .

6.DELIVERY TERMS

6.1. The Seller guarantees to deliver aircraft to the Buyer not later then within 4 days from the date of contract signed .

7. УСЛОВИЯ СДАЧИ-ПРИЕМКИ

7.1. Техническая приемка самолета проводится приемной комиссией Покупателя .

7.DELIVERY ACCEPTANCE CONDITIONS

7.1. Technical acceptance of the aircraft is done by the Buyer's acceptance commission.

7.2. Покупатель обязуется направить приемную комиссию за свой счет. Место проведения технической приемки аэропорт Массава (Эритрия).
7.3. Техническая приемка самолета оформляется актом технического состояния, который подписывается уполномоченными представителями Покупателя и Продавца.
7.4. Самолет, проданный по настоящему Контракту, считается сданным Продавцом и принятым Покупателем в отношении качества - в соответствии с качеством, указанным в акте технического состояния.

7.2. The Seller shall send the Acceptance commission at his own expense. The place of technical acceptance is Massawa Airport (Eretria).

7.3. Technical Acceptance of the aircraft is to be executed in the Protocol of technical condition and signed by duly authorized representative of the Buyer and the Seller.

7.4. The aircraft sold under the present Contract is considered to be delivered by the Seller and accepted by the Buyer in respect of quality – according to quality stipulated by the Protocol of Technical Condition.

8.КАЧЕСТВО САМОЛЕТА

8.1.Самолет должен быть передан Покупателю в исправном состоянии в соответствии с предъявляемыми к такому типу самолетов требованиями с учетом фактического износа согласно спецификации.

8. QUALITY OF THE AIRCRAFT

8.1. The aircraft shall be delivered to the Buyer in serviceable condition in conformity with technical characteristics stipulated in the manuals of the aircraft issued by the manufacturer with consideration of the actual depreciation stipulated in specification

9.ТЕХНИЧЕСКАЯ ДОКУМЕНТАЦИЯ

9.1.Продавец передает Покупателю техническую документацию, необходимую для эксплуатации и обслуживания самолета.

9. MANUALS

9.1. The Seller provides to the Buyer manuals that are necessary for operation and maintenance.

10.ПРЕТЕНЗИИ

10.1.Претензии по качеству самолета могут быть заявлены во время приемки самолета по техническому состоянию, если качество самолета не соответствует указанному в прилагаемом Акте технического состояния.
10.2. В случае выявления какого-либо дефекта в течении принимающей проверке, Продавец берет на себя все расходы,связанные по их замене или устранению.
10.3. После подписания обеими сторонами Акта приема-передачи претензии по качеству не принимаются.

10.4 Продавец отвечает за все технические дефекты, о которых знал, до принимающей

10. CLAIMS

10.1. Claims on the aircraft can be made during technical acceptance of the aircraft if this technical condition is not in conformity with the attached Protocol of technical condition.

10.2 In case of any defect arises in during the acceptance check. All costs of repair notification or replacement shall be borne by the Seller.

10.3. After the Protocol of Delivery Acceptance is signed the claims regarding quality are not

проверке самолета, но своевременно не проинформировал Покупателя.

11.ШТРАФНЫЕ САНКЦИИ

11.1.В случае, если по вине Продавца произойдет задержка в поставке самолета по настоящему контракту, он выплачивает штраф за каждый день просрочки в размере 0,05% от стоимости контракта, но не более 5% с суммы Контракта.

12. АРБИТРАЖ

12.1.Все споры и разногласия, возникшие между сторонами по настоящему Контракту или в связи с ним, подлежат разрешению путем переговоров между сторонами.
12.2.В случае, если они не придут к согласию в решении вопроса, послужившего возникновению спора, то после письменной констатации, разногласия передаются на рассмотрение арбитражного суда ОАЭ .

13. ФОРС-МАЖОР

13.1.Ни одна из сторон не будет нести ответственности за полное, или частичное неисполнение любого из своих обязательств, если их неисполнение будет являться следствием форс-мажорных обстоятельств (наводнение, пожар, землетрясение и другие стихийные бедствия, война или военные действия), возникших после заключения контракта.
13.2. Если любое из перечисленных обстоятельств непосредственно повлияло на исполнение сторонами обязательств в срок, установленный в Контракте, то этот срок, отодвигается на время действия соответствующего обстоятельства.
13.3. Сторона. Для которой создалась невозможность исполнения обязательств по данному Контракту в силу вышеуказанных форс-мажорных обстоятельств, обязаны в письменной форме уведомить другую сторону не позднее 10 дней с момента их наступления и прекращения.
Факты, изложенные в Уведомлении,

acceptable.

10.4. In case of any latent defect misrepresentation or keeping knowledge which the Seller knew or shoud how known it, then he will be responsible for any damage or loss resulted from such issues.

11. PENALTIES

11.1.In case of delay in delivery if the aircraft under the present Contract through the Seller's fault he shall pay penalty for each day of delay at the rate of 0.05% of the amount of the Contract but not more then 5% of the Contract value.

12. ARBITRATION

12.1.All disputes and disagreements between the parties in connection with the Present Contract shall be settled by means of discussions between the parties.

12.2. In case the parties do not reach the agreement in settling an issue causing the dispute shall be forwarded to the arbitration court of UAE.

13. FORCE- MAJEURE

13.1.The Parties are released from responsibility for complete or partial non fulfillment of any of their liabilities under the Contract if this non fulfillment was coursed by force-major circumstances including: fire, flood, earth quake and other disasters, war or military action arisen after the conclusion of the contract.

13.2. If any of the above mentioned circumstances have directly effected the fulfillment of the obligations in the time stipulated in the contract this time shall be postponed within the period of duration of appropriate circumstances.
13.3. The Party unable to fulfill it's liabilities shall notify the other Party immediately but not more then 10 days from the moment of the commencement and termination of the above

должны быть подтверждены Торгово-промышленной палатой или другими компетентными органами стран сторон.
13.4. не уведомление и несвоевременное уведомление лишает стороны право ссылаться на любое вышеуказанное обстоятельство как на основание, освобождающее от ответственности за неисполнение обязательств.
13.5. В случае, если форс-мажорные обстоятельства продолжаются в течение более трех месяцев, любая из сторон вправе требовать расторжения настоящего Контракта полностью или частично без обязательств по возмещению возможных убытков.

14 КОНФИДЕНЦИАЛЬНОСТЬ.

14.1. Стороны обязуются хранить полную конфиденциальность в отношении исполнения настоящего Контракта и не распространять и не передавать никакую информацию о предмете настоящего Контракта, в условиях и порядке взаимных расчетов.
14.2. Стороны также обязуются не позволять доступ
третьим лицам или третьей стороне содержание настоящего Контракта за исключением лиц, причастных к исполнению настоящего Контракта в пределах, необходимых для выполнения Контракта.

14. ВСТУПЛЕНИЕ ДОГОВОРА В СИЛУ

15.1.Настоящий Контракт вступает в силу со дня его подписания и действует до выполнения сторонами своих обязательств.

16. ПРОЧИЕ УСЛОВИЯ.

16.1 При заключении дополнительного соглашения Продавец возмет на себя обязательство по техническому сопровождению самолета и снабжению запасными частями.
16.2 Стороны договорились что Продавец предоставит Покупателю свой позывной "LFT" в целях выполнения покупателем

mentioned circumstances, in written form about their commencement, expected duration and termination. The fact statement notification must be confirmed by Chamber of Commerce and Industry or other concerned body of the countries of tile parties.

13.4. An untimely notification or absence of the notification of force-major circumstances deprives the corresponding party of the rights to refer to them as basis, which release from the responsibility for default.

13.5. If the fore –major circumstances last longer then 3 months then either Party entitle to cancel whole contract or a pail of it without obligations for compensation of possible losses.

14 CONFIDENTIALITY

14.1. The Parties are obliged to keep the fulfillment of the Present Contract fully confidential and prevent the disclosure and the transfer of any information about the subject of the present Contract, terms and conditions and order mutual settlement.

14.2. The Parties are obliged to prevent access of a third person or a third Party to the next of the Present Contract excluding the person involved into the fulfillment of the Present Contract within the limits required for the execution of the Contract.

14. EFFECTIVE DATE OF THE CONTRACT

15.1.The Present contract shall come into force from the moment of signing arid is valid till the moment when the Parties have fulfilled their obligations.

16 OTHER CONDITION.

16.1 For concluding additionally agreement Seller can take obligation for Technical

коммерческих полетов на период пока Покупатель не зарегестрирует в ИКАО свой собственный позывной но на срок не более 3-х месяцев. Продавец обязуется своевременно оплачивать аэронавигационные и другие сборы связанные с использованием позывного Покупателя. Покупатель обязуется не выполнять полетов под позывным Продавца в аэропорты не зарегестрированные в JEPPESSEN , для перевозок военных грузов , а также для перевозок запрещенных грузов .

16.3.Ни одна из сторон не имеет права передавать третьей стороне права и обязанности по настоящему Контракту без письменного согласия другой стороны

16.4. Дополнения, изменения к настоящему Контракту считаются действительными лишь при условии, если они выполнены в письменной форме и подписаны лицами, уполномоченными на то договорившимися сторонами.

16.5. Условия настоящего Контракта будут применимы,если иное не будет оговорено в приложениях к настоящему Контракту, являющимися его неотъемлемой частью.

16.6. Настоящий Контракт составлен в двух экземплярах на русском и английском языках, по одному для каждой из сторон, из которых английский язык является основным.

16.7. Факсимильная копия настоящего Контракта имеет равную юридическую силу с оригиналом Контракта.

accompaniment of Aircraft and spare parts supply.

16.2. Parties agreed that Seller authorize to Buyer use Sellers call sign " LFT" to perform commercial flights till the moment Buyer will register his own call sign with ICAO but for the period do not exceeding 3 month . The Buyer is obliged to pay aero navigation fees and any other fees involved subject to operation under the Sellers call sign . The Buyer is obliged do not perform flights under Sellers call sign on runways do not registered in JEPPESSEN , military flights or flights with arms on board , to transport prohibited cargo .

16.3 Neither Party shall be entitled to assign the right and obligation under the present Contract to the third party without written consent of the other party.

16.3 Appendixes, supplements and amendments to the Present Contract shall be considered effective if they are made in writing and signed by duly authorized representatives of both parties only.

16.4. Terms and conditions of the present Contract shall be applicable if otherwise shall not be stated in Appendixes to the Present Contract, to be an integral Part of it.

16.5. The present Contract is done in two copies in Russian and English languages one for each party with main English language.

16.6 Fax copy of this contract has the same legal force as its original.

17. ПОДПИСИ СТОРОН

Покупатель:
ERIKO ENTERPRISE
P.O. Box 9302 Asmara, Eretria
Eretria , Asmara , Waisay str. 0117
Tel. 002911122144&002911122806
Fax. 002911123137
e-mail: homeriko@yahoo.com

For Buyer: _____
M.D. Kelati Haite

Date : 21 July 2006

17. SIGNATURE OF PARTIES

The Buyer:
ERIKO ENTERPRISE
P.O. Box 9302 Asmara, Eretria
Eretria , Asmara , Waisay str. 0117
Tel. 002911122144&002911122806
Fax. 002911123137
e-mail: homeriko@yahoo.com

For Buyer: _____
M.D. Kelati Haite

Date : 21 July 2006

Продавец:" Aerolift company Limited" British Virgin Islands . Tel : 0027117065503 Fax : 0027117065860 Email: evgueny z@aerolift.org	The Seller: " Aerolift company Limited" British Virgin Islands . Tel : 0027117065503 Fax : 0027117065860 Email: evgueny z@aerolift.org
За продавца Директор Евгений Захаров .	For Seller: Director Evgueny Zakharov
Дата : 21 Июля 2006	Date : 21 July 2006

Annex II

Overview of flights with aircraft of Aerogem Aviation Ltd, operated by Fab Air

Date	*Call sign*	*Aircraft type*	*Aircraft registration*	*From*	*To*
17/11/2006	FBA2515	B-707	9G-OAL	Massawa Eritrea	Mogadishu Somalia
22/11/2006	FBA2515	B-707	9G-OAL	Asmara Eritrea	Mogadishu Somalia
24/11/2006	FBA2515	B-707	9G-OAL	Massawa Eritrea	Uganda
24/11/2006	FBA2156	B-707	9G-OAL	Nampula Mozambique*	Massawa Eritrea
25/11/2006	FBA2515	B-707	9G-OAL	Massawa Eritrea	Mogadishu Somalia
27/11/2006	FBA2515	B-707	9G-OAL	Massawa Eritrea	Nampula Mozambique*
28/11/2006	FBA2515	B-707		Asmara Eritrea	Nampula Mozambique*
1/12/2006	FBA2515	B-707	9G-OAL	Massawa Eritrea	Nampula Mozambique*
2/12/2006	FBA2515	B-707	9G-OAL	Massawa Eritrea	Nampula Mozambique*
3/12/2006	FBA2525	B-707	9G-OAL	Massawa Eritrea	Nampula Mozambique*
7/12/2006	FBA2515	B-707	9G-OAL	Massawa Eritrea	Mogadishu Somalia
8/12/2006	FBA2515	B-707	9G-OAL	Massawa Eritrea	Mogadishu Somalia
8/12/2006	FBA2516	B-707	9G-OAL	Mogadishu Somalia	Massawa Eritrea
8/12/2006	FBA2515X	B-707	9G-OAL	Massawa Eritrea	Mogadishu Somalia
9/12/2006	FBA2515	B-707	9G-OAL	Massawa Eritrea	Mogadishu Somalia
9/12/2006	FBA2516	B-707	9G-OAL	Mogadishu Somalia	Massawa Eritrea
11/12/2006	FBA2515	B-707	9G-OAL	Massawa Eritrea	Mogadishu Somalia
11/12/2006	GCK0808	B-707	9G-OAL	Mogadishu Somalia	Al Fujairah United Arab Emirates

* The Government of Mozambique informed the Monitoring Group that none of the planes actually landed in Mozambique (see annex IV).

Annex III

Response of the Government of Eritrea to the Monitoring Group

Permanent Mission of Eritrea
to the United Nations

ቋሚ ልኡኽ ኤርትራ ናብ መንግስታት ሕብረት ክፍለ-ዓለም
البعثة الأريترية الدائمة لدى الأمم المتحدة

22 March 2007

Dear Mr. Shiemsky,

I have the honour to acknowledge receipt of your letter dated 14 March 2007 with reference number S/AC.29/2007/MG/OC.2 regarding the arms embargo on Somalia pursuant to Security Council resolution 733 (1992).

The alleged information that the Monitoring Group claims to have received on the flights of aircraft B-707 with registration number 9G-OAL, operated by Acrogem Aviation Ltd. departing from the airports of Asmara and Massawa with destinations to Somalia is categorically groundless. The Government of the State of Eritrea has in the past repeatedly rejected and refuted in writing similar fabricated accusations.

The continuous and deliberate subtle disinformation campaigns against Eritrea cannot serve to cover up the illegal, dangerous and destabilizing military adventurism perpetrated against Somalia by the regime in Ethiopia and its handlers. It is sad that the mandate of the Monitoring Group on Somalia continues to be misused and abused by some countries who have created quagmire in Somalia.

I wish to take this opportunity to reiterate my government's long standing policy of non-interference in the internal affairs of Somalia and for the Somalis to find their own solution through dialogue and reconciliation. I also wish to reaffirm my government's unwavering commitment to the regional peace and stability.

I would, therefore, hope and urge the Monitoring Group to be more vigilant and faithful to the mandate it has been entrusted to perform by the United Nations Security Council.

Please accept, Sir, the assurances of my highest consideration.

Araya Desta
Ambassador, Permanent Representative

Mr. Bruno Schiemsky
Coordinator, Monitoring Group on Somalia
Security Council Resolution 1724 (2006)
United Nations, Room S-3055B
New York, NY 10017

Annex IV

Response of the Government of Mozambique to the Monitoring Group

MISSÃO PERMANENTE
DA REPUBLICA DE MOÇAMBIQUE
JUNTO ÀS NAÇÕES UNIDAS

PERMANENT MISSION OF THE
REPUBLIC OF MOZAMBIQUE
TO THE UNITED NATIONS

420 East 50 Street
New York, NY 10022
Phone: (212) 644-6800
Fax: (212) 644-6872

MOZ/GE/149/07 24 April 2007

Dear Mr. Schiemsky,

I have the honour to address you in reply to your letter ref. S/AC.29/2007/MG/OC.5, dated 15 March 2007, in which you have requested my Government's cooperation in investigating possible violations of the general and complete arms embargo on Somalia, imposed by Security Council resolution 733 (1992), by providing the Monitoring Group on Somalia with further information concerning a B-707, registration number 9G-OAL, operated by *Aerogem Aviation Ltd*, which had departed the airports of Asmara and Masawa, Eritrea, allegedly destined for Mozambique.

Following consultations with the relevant authorities of my country, I have been duly authorized to inform you that, after full investigation into the allegations, there is no record, either of the above-mentioned aircraft, or of any other similar aircraft operated by *Aerogem Aviation Ltd* landing in the Mozambican territory in the period under review.

Mr. Bruno Schiemsky
Chairman of the Monitoring Group on Somalia
Security Council Resolution 1724 (2006)
New York

I would also wish to emphasize further that my Government is fully committed to abide by its obligations concerning Security Council resolutions on arms embargo not only on Somalia, but also with respect to other similar such resolutions, as well as all Security Council resolutions.

Sincerely,

Filipe Chidumo
Ambassador Extraordinary and Plenipotentiary
Permanente Representative to the United Nations

Annex V

Response of the Government of Uganda to the Monitoring Group

PERMANENT MISSION OF THE REPUBLIC OF UGANDA TO THE UNITED NATIONS

UGANDA HOUSE
336 EAST 45th STREET
NEW YORK, N.Y. 10017-3483

Tel: (212) 949-0110
Fax: (212) 687-4577
E-mail: ugunmny@un.int

OUR REFERENCE
YOUR REFERENCE: UN/PR/06

25 June 2007

Mr. Bruno Schlemsky
Chairman of the Monitoring Group on Somalia
Security Council resolution 1724 (2006)
United Nations
New York

I refer to your letter of 15 March 2007 concerning your investigation into possible violations of the general and complete arms embargo on Somalia as imposed by Security Council resolution.

Following is the clarification on the flight by Aircraft B-707 registration number 9G – OAL from Maseve to Uganda:

1. That Uganda has never at any one time violated the United Nations General and Complete Arms Embargo on Somalia first imposed on Security Council Resolution 733 (1992).

2. That the Government of Uganda is aware of the Flight which is the subject of inquiry but this Aircraft only made a stop over at Gulu Airport for refuelling en-route Juba.

3. That at Gulu Airport the Aircraft did not off load anything and immediately after refueling it continued with its journey to Juba.

4. That the Government of Uganda shall be supportive to any enquiry in relation to this flight but it continues to aver that the flight was in no violation of the Arms Embargo.

5. That as for the information required by the Chairman to wit documents for the flight such as cargo manifest, airway bills, flight plans, names of the crew, invoices and other relevant details, this should be obtained from the Government of Southern Sudan.

Francis K. Butagira
Permanent Representative

Annex VI

Response of the Government of Kyrgyzstan to the Monitoring Group

Кыргыз Республикасынын
Бириккен Улуттар Уюмундагы
Туруктуу Өкулдугу

Permanent Mission of the
Kyrgyz Republic to the
United Nations

866 United Nations Plaza, Suite 477, New York, NY 10017, Tel.: (212) 486-4234, Fax.: (212) 486-52-03
E-mail: Kyrgyzstan@un.int

Ref.# 0/6/84

The Permanent Mission of the Kyrgyz Republic to the United Nations presents its compliments to the United Nations Monitoring Group on Somalia and in reply to the letter with ref.# S/AC.29/2007/MG/OC.13 dated by 22 May 2007 has the honor to inform on the following.

The Air Company "Fab Air" had been registered by the Kyrgyz State register under #29 and had the call sign "FBA" attributed by the International Civil Aviation Organization. But "Fab Air" was closed in January 2007 since it didn't comply with the regulations of Civil Aviation Department of the Kyrgyz Republic e.g. information concerning its production activity, rental plans or aircrafts' purchasing, possession of necessary staff and structure was not provided. On 5 February 2007 the recall notification of "FBA" 3-letter code from "Fab Air" was sent by the Kyrgyz side to the Air Company and to the International Civil Aviation Organization.

Therefore any other information regarding the above flight including documentation such as cargo manifest, airway bill and flight plan, names of the crew, invoices and other relevant details requested by the Monitoring Group on Somalia is not available.

The Permanent Mission of the Kyrgyz Republic to the United Nations avails itself of this opportunity to renew to the United Nations Monitoring Group on Somalia the assurances of its highest consideration.

New-York, June 06, 2007

Monitoring group on Somalia
United Nations
New York

Annex VII

Response of the Government of Ethiopia to the Monitoring Group

PERMANENT MISSION OF THE FEDERAL
DEMOCRATIC REPUBLIC OF ETHIOPIA
TO THE UNITED NATIONS
866 Second Avenue, 3rd Floor • New York, N.Y. 10017
Tel.: (212) 421-1830 • Fax: (212) 754-0360

15 June 2007

Dear Mr. Schiemsky,

I have the honour to refer to your letter no, S/AC.29/2007/MG/OC.17, dated 8 June 2007, concerning allegations of violations of the arms embargo on Somalia.

The connection the Monitoring Group is trying to make between the involvement of the Government of Ethiopia in Somalia and the arms embargo imposed on Somalia under Security Council Resolutions 733 (1992) and 1425 (2002) has no foundation whatsoever. Ethiopia has been involved in Somalia at the invitation of the legitimate and internationally recognized Transitional Federal Government (TFG) of Somalia. The Transitional Federal Parliament of Somalia also invited Ethiopia to assist the Government in the defense of the Transitional Federal Institutions (TFIs) from persistent attacks by local and international extremist and terrorist groups. These groups supported and financed by parties from both inside and outside the region, were trying to dismantle the TFIs.

It is also to be recalled that those same extremist and terrorist groups declared Jihad on Ethiopia and carried out terrorist attacks in Ethiopia and infiltrated individuals and groups into the territory of Ethiopia to create havoc and instability. It is therefore clear that the joint action taken by the defense forces of the two Governments is a legitimate exercise of the inherent right of self-defense consistent with the United Nations Charter. It is also clear that this legitimate measure cannot be confused with obligations under the arms embargo or questioned in light of the same. The Monitoring Group is going beyond the scope of the arms embargo to accuse Ethiopia of wrong doing.

Moreover the relevant sub-regional and continental organizations that follow developments in Somalia very closely have fully endorsed the defensive measures taken by the two governments. The 8th Ordinary Session of the African Union Assembly of Heads of State and Government has expressed satisfaction over "...the recent positive developments in Somalia which have resulted in Ethiopia's intervention upon the invitation of the legitimate Transitional Federal Government (TFG) of Somalia, and which has created unprecedented opportunity for lasting peace in the country." Similarly,

the 26th Session of the Council of Ministers of the Intergovernmental Authority on Development expressed"...its appreciation to the Ethiopian Government for all the sacrifices it has made to promote the common position of IGAD Member States, which is fully consistent with the commitment of the organization to the success of the TFG and to the interest of the people of the IGAD region to achieve peace and stability and to protect the region from terrorist and extremist forces." One can ignore all this only when one chooses to ignore African multilateral institutions with what all would imply.

The second allegation that is mentioned in your letter that white phosphorous bombs were used in the military action against the core of the terrorists and their hideouts is equally baseless. The Ethiopian Defense Forces do not stockpile, nor use or produce white phosphorus bombs. It does not exist in their arsenal. They never used this weapon and my Government challenges this sheer and baseless allegation, which is made without any proof whatsoever. Ethiopia has a long-standing record of fighting terrorist. Some parties, however, have been bent on assisting the activities these terrorist groups to create havoc in the region. They have gone beyond assisting them in the provision of logistics and in the organization of their operations and have been involved in spreading a smear campaign against Ethiopia. This and similar allegations are only part of the of the smear campaign by parties that have lost in their quest to keep Somalia stateless and remain a fertile ground for international terrorism. The Monitoring Group should be careful in separating facts from fiction and with disinformation that might undermine its credibility. We realize that the previous report of the Group---which in our view has been validated, in a lot of ways, by subsequent developments---has angered some parties. It would be regrettable if the Group were to be forced now to make up for what it did in the last Report, we only hope that our concerns are unfounded.

Please accept, Dear Mr. Schiemsky, the assurance of my highest consideration.

H.E. Mr. Dawit Yohannes
Ambassador Extraordinary and Plenipotentiary
Permanent Representative of Ethiopia
To the United Nations

Mr. Bruno Schiemsky
Chairman of the Monitoring
Group on Somalia
Security Council resolution 172 (2006)

Annex VIII

Response of the Government of the United States of America to the Monitoring Group

THE REPRESENTATIVE
OF THE
UNITED STATES OF AMERICA
TO THE
UNITED NATIONS

June 25, 2007

Dear Chairman Schiemsky:

Thank you for your letter of June 8, 2007, in which you requested information regarding operations conducted by U.S. forces in Somalia.

The United States conducted several strikes in self-defense against al-Qaida terrorist targets in Somalia in response to on-going threats to the United States posed by al-Qaida and its affiliates. Al-Qaida operatives in Somalia and East Africa have planned and executed horrendous attacks resulting in the deaths of innocent Africans and Americans, including the attacks against two U.S. Embassies in 1998 and the attack on a hotel in Kenya in 2002, and continue actively to plan further attacks.

Paragraph 5 of UN Security Council resolution 733 (1992) requires a "general and complete embargo on all *deliveries of weapons and military equipment to Somalia*" (emphasis added). We do not believe that these operations against known terrorist targets constituted "delivery" of a weapon within the plain meaning of this paragraph.

If you have any further questions, please feel free to contact me.

Regards,

Zalmay Khalilzad

Mr. Bruno Schiemsky
Chairman, Monitoring Group on Somalia
The United Nations
New York, NY

Annex IX

Arms purchases and sales at the Bakaraaha Arms Market investigated during the mandate period

Identity of individual conducting transaction at the Irtogte Market	*Type and quantity of arms and date of transaction*	*Role (supplier/purchaser/ seller)*
Qanyare Afrah Mohamed Warlord, member of Parliament and former Minister in the Transitional Federal Government	92 AK-47, 18 PKM, 22 RPG-2/7, a variety of ammunition 20.12.2006-15.01.2007	Purchased the arms
	55 AK-47, 7 PKM, 17 RPG-2/7 02.2007	Purchased the arms
	135 AK-47, 17 PKM, 25 RPG-2/7 03.2007	Purchased the arms
	48 AK-47, 11 RPG-2/7, a variety of ammunition, magazines and belts 20.03-20.04-2007	Purchased the arms
	320 AK-47, 8 PKM, 24 RPG-2/7, 8 M-79 grenade launchers, 3 DShK, 1 Sekawe,* 40 boxes of ammunition for Zu-23, DShK, AK-47 and PKM 20.04-20.05.2007	Purchased the arms
Mohamed Omar Habeeb "Dheere" Governor of Banadir region and Mayor of Mogadishu	80 AK-47, 12 PKM, 19 RPG-2/7, 2 DShK, a variety of anti-tank mines, anti-personnel mines and hand grenades 20.11-20.12.2006	Purchased the arms
	105 AK-47, 21 PKM, 28 RPG-2/7, a variety of ammunition 20.12.2006-15.01.2007	Purchased the arms
	21 RPG-2/7, 74 mortars, a variety of ammunition 02.2007	Purchased the arms
	11 PKM, 9 RPG-2/7, a variety of ammunition 03.2007	Purchased the arms

	85 AK-47, 19 RPG-2/7, a variety of ammunition 20.03-20.04.2007	Purchased the arms
	2015 AK-47, 35 RPG-2/7, 20 PKM, a variety of ammunition 20.04-20.05.2007	Purchased the arms
Aadan Saransoor	85 AK-47, 9 PKM, 20 RPG-2/7, 2 DShK and a variety of ammunition 20.11-20.12.2006	Purchased the arms
Muse Suudi Yalahow	75 AK-47, a variety of ammunition 02.2007	Purchased the arms
Barre Aden Shire "Hirale" Former minister in the Transitional Federal Government	22 PKM, 40 RPG-2/7, 2 B-10, 4 DShK, 2 dhuunshilke* 20.11-20.12.2006	Purchased the arms
Bakaraaha Arms Market traders	2000 AK-47, 5 B-10, 11 DShK 02.2007	Shipment arrived at the Bakaraaha Arms Market from Hargeisa (Somaliland)
Shabaab	9 B-10, 5 Waqle, 2 ZU-23 and a variety of mines and hand grenades 20.11-20.12.2006	Purchased the arms
	74 AK-47, 17 PKM, 48 RPG-2/7, a variety of ammunition 20.03-20.04.2007	Purchased the arms
	420 AK-47, 17 PKM, 48 RPG-2/7, 27 M-79 grenade launchers, 60 pistols, a variety of mines 20.04-20.05.2007	Purchased the arms
Clans (various)	295 AK-47, 95 PKM, 130 RPG-2/7, 11 DShK, 5 dhuunshilke,* 14 B-10, 5 Waqle, a variety of mines and ammunition 20.11-20.12.2006	Purchased the arms
	187 AK-47, 16 PKM, 48 RPG-2/7, a variety of ammunition and mines, 53 pistols 20.12.2006-15.01.2007	Purchased the arms

	105 AK-47, 47 PKM, 72 RPG-2/7, 110 hand grenades, a variety of ammunition 02.2007	Purchased the arms
	375 AK-47, 87 PKM, 47 RPG-2/7, 170 mines and hand grenades, a variety of ammunition especially for AK-47 and RPG-2/7 03.2007	Purchased the arms
	273 AK-47, 32 PKM, 41 RPG-2/7, a variety of ammunition 20.03-20.04.2007	Purchased the arms
Col. Abdi Hassan Awale Qeybdiid Police Chief, Banadir region	65 AK-47, 25 PKM, 30 RPG-2/7, 1 dhuunshilke,* 3 B-10 and a variety of ammunition 20.11-20.12.2006	Purchased the arms
	125 AK-47, 15 PKM, 30 RPG-2/7, a variety of ammunition 20.12.2006-15.01.2007	Purchased the arms
	14 PKM, 5 82mm mortars, a variety of ammunition 02.2007	Purchased the arms
	90 AK-47, 7 PKM, a variety of ammunition, magazines and belts 20.03-20.04.2007	Purchased the arms
	287 AK-47, 22 PKM, 3 B-10, magazines for assault rifles, a variety of ammunition 20.04-20.05.2007	Purchased the arms
Dhagahtuur	11 PKM, 2 B-10, 10 RPG-2/7, a variety of ammunition 20.04-20.05.2007	Purchased the arms
Abdiwaal	198 AK-47, 16 PKM, 2 DShK, 14 RPG-2/7, 1 dhuunshilke,* a variety of ammunition 20.04-20.05.2007	Purchased the arms

* Dhuunshilke = 1-barrel Zu-23 mounted on a tripod;
Sekawe = 1-barrel Zu-23 with a seat for the gunner.

Annex X

Overview of prices at the Bakaraaha Arms Market

(United States dollars)

Weapon	*Before ICU*	*During ICU*	*After ICU*	*May 2007*
Zu-23	70 000	10 000	5 000	25 000
DShK	14 000	5 000	3 000	8 000
B-10	7 000	2 000	1 500	6 000
PKM	12 000	6 000	4 000	2 000
AK-47	400	250	200	200
RPG-2	500	300	150	1 500
Ammunition piece				
Zu-23	7	3	0.50	3.20
DShK	3.50	1	0.50	not available
B-10	120	30	3	not available
PKM	5	0.50	0.50	1
AK-47	0.75	0.50	0.35	0.30
RPG-2	150	100	25	120

Annex XI

Countries visited and representatives of Governments, organizations and private entities interviewed

Kenya

Government officials

Kenya Ministry of Defence (Navy)

State representatives

Ambassador of Belgium
Ambassador of the Netherlands
Embassy of Denmark
High Commission of Australia
High Commission of India

International organizations

Special Representative of the Secretary-General François Lonseny Fall (UNPOS)
United Nations Development Programme — Somalia
World Food Programme — Somalia
United Nations Department of Safety and Security — Somalia
International Civil Aviation Organization
International Maritime Organization
Panel of Experts on the Sudan

Uganda

Government officials

Ministry of Defence

United States of America

State representatives

Permanent Representative of Mozambique to the United Nations
Permanent Representative of Belarus to the United Nations
Permanent Mission of the United Kingdom of Great Britain and Northern Ireland to the United Nations
Permanent Mission of the United States of America to the United Nations
Permanent Mission of France to the United Nations
Permanent Mission of Ghana to the United Nations